

Voluntary Report - public distribution

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Spain

Oilseeds and Products

Update

2003

Approved by:

Lloyd J. Fleck
U.S. Embassy

Prepared by:

Diego Perez

Report Highlights:

Production of sunflowerseed, Spain's most important oilseed crop, is expected to be off by 1 percent due to the summer heat wave in spite of an increase in planting. Spain's imports of sunflowerseed and products from Europe is expected to rise in MY 2003/04. The recent increase in soybean meal prices has reduced previous trade expectations for larger use of soybean meal.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Madrid [SP1]
[SP]

The summer heat wave which rolled across Europe hurt the sunflowerseed crop in Spain. Despite a 4.5 percent increase in plantings, the harvest is projected at only 750,000 tons, some 7,000 tons less than in the preceding year. The heat wave mainly affected sunflowerseed fields in Central and Northern Spain, while the leading production area of Southern Spain was practically untouched.

The reduced domestic harvest will lead to larger imports of sunflowerseed for in-country crushing and to imports of sunflowerseed oil as well. This year's large supplies of sunflowerseed in Europe will facilitate the imports needed to fill Spain's shortfall.

Besides hot weather, a hot futures market is also affecting Spain's oilseed outlook. Earlier this year, prospects for a healthy gain in soybean meal consumption were good. Livestock industries, particularly poultry and egg producers, have expanded demand for feeds. In early August, trade sources were predicting a 2 or 3 percent increase in soybean meal use in MY 2003/04. However, they are currently less optimistic due to the recent increase in soybean meal prices in the Chicago futures market. If these prices are sustained, growth in soybean meal consumption could be held below 1 percent.